



Erie Co. Fiscal Stability Authority

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July 11, 2012

Honorable Betty Jean Grant, Chair
Erie County Legislature
92 Franklin St.
Buffalo, NY 14202

Dear Legislator Grant:

There have been a number of discussions at the Legislature, in the last month, regarding Erie County Fiscal Stability Authority borrowing. Previously, those discussions focused on long term issuances. With the request filed yesterday by Comptroller Shenk to gain approval to go to market for \$80 million in cash flow borrowing, the ECFSA is looking to bring the RAN into the conversation.

We have been working through potential RAN borrowing savings and have determined that, under the conditions listed in the Comptroller's request, the ECFSA could save the county approximately \$532,000 in going to the market on the county's behalf. That savings, unlike the previously considered capital borrowing would all accrue in 2013. I believe that bears repeating – the ECFSA can save over half a million dollars in RAN debt service costs in one single year – 2013.

We understand that even though the county does not need the financing until September, the Legislature's summer recess necessitates consideration of this item by the end of next week. We stand ready to discuss this savings issue with you and your colleagues at any of the upcoming meetings and caucuses.

In the meantime, if you need further information, please feel free to contact me or Ken Vetter.

I really appreciate your help.

Sincerely,

James Sampson
Chairman

Cc: ECFSA Board of Directors
Hon. Mark Poloncarz, County Executive
Hon. Members of the Erie County Legislature
Hon. David Shenk, County Comptroller

Attachment

Erie County Fiscal Stability Authority

Bond Anticipation Notes, 2012

Issue Date: 9/14/12; Maturity Date: 7/28/13

Rated: Moody's: MIG1 Fitch:F1+

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Erie County Fiscal Stability Authority

Bond Anticipation Notes, 2012

Issue Date: 9/14/12; Maturity Date: 7/28/13

Rated: Moody's: MIG1 Fitch:F1+

Sources & Uses

Dated 09/14/2012 | Delivered 09/14/2012

Sources Of Funds

Par Amount of Bonds	\$79,420,000.00
Reoffering Premium	794,200.00
Total Sources	\$80,214,200.00

Uses Of Funds

Total Underwriter's Discount (0.087%)	69,095.40
Costs of Issuance*	144,000.00
Transfer to County	80,000,000.00
Rounding Amount	1,104.60
Total Uses	\$80,214,200.00

*Includes \$57,000 estimated cost for County's Mirror Obligations

Erie County Fiscal Stability Authority

Bond Anticipation Notes, 2012

Issue Date: 9/14/12; Maturity Date: 7/28/13

Rated: Moody's: MIG1 Fitch:F1+

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
07/28/2013	Serial Note	1.500%	0.350%	79,420,000.00	101.000%	80,214,200.00
Total	-	-	-	\$79,420,000.00	-	\$80,214,200.00

Bid Information

Par Amount of Bonds	\$79,420,000.00
Reoffering Premium or (Discount)	794,200.00
Gross Production	\$80,214,200.00
Total Underwriter's Discount (0.087%)	\$(69,095.40)
Bid (100.913%)	80,145,104.60
Total Purchase Price	\$80,145,104.60
Bond Year Dollars	\$69,271.89
Average Life	0.872 Years
Average Coupon	1.5000000%
Net Interest Cost (NIC)	0.4532484%
True Interest Cost (TIC)	0.4487729%

Erie County Fiscal Stability Authority

Bond Anticipation Notes, 2012

Issue Date: 9/14/12; Maturity Date: 7/28/13

Rated: Moody's: MIG1 Fitch:F1+

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/28/2013	-	-	-	-
07/28/2013	79,420,000.00	1.500%	1,039,078.33	80,459,078.33
Total	\$79,420,000.00	-	\$1,039,078.33	\$80,459,078.33

Yield Statistics

Bond Year Dollars	\$69,271.89
Average Life	0.872 Years
Average Coupon	1.500000%
Net Interest Cost (NIC)	0.4532484%
True Interest Cost (TIC)	0.4487729%
Bond Yield for Arbitrage Purposes	0.3497755%
All Inclusive Cost (AIC)	0.6555232%

IRS Form 8038

Net Interest Cost	0.3500031%
Weighted Average Maturity	0.872 Years

Erie County, New York

Revenue Anticipation Note, 2012

Issue Date: 9/14/12; Maturity Date: 6/28/13

NOT RATED

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Erie County, New York

Revenue Anticipation Note, 2012

Issue Date: 9/14/12; Maturity Date: 6/28/13

NOT RATED

Sources & Uses

Dated 09/14/2012 | Delivered 09/14/2012

Sources Of Funds

Par Amount of Bonds	\$79,425,000.00
Reoffering Premium	744,212.25

Total Sources **\$80,169,212.25**

Uses Of Funds

Total Underwriter's Discount (0.100%)	79,425.00
Costs of Issuance	85,000.00
Note Proceeds Account	80,000,000.00
Rounding Amount	4,787.25

Total Uses **\$80,169,212.25**

Erie County, New York

Revenue Anticipation Note, 2012

Issue Date: 9/14/12; Maturity Date: 6/28/13

NOT RATED

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/28/2013	Serial Note	2.500%	1.300%	79,425,000.00	100.937%	80,169,212.25
Total	-	-	-	\$79,425,000.00	-	\$80,169,212.25

Bid Information

Par Amount of Bonds	\$79,425,000.00
Reoffering Premium or (Discount)	744,212.25
Gross Production	\$80,169,212.25
Total Underwriter's Discount (0.100%)	\$(79,425.00)
Bid (100.837%)	80,089,787.25
Total Purchase Price	\$80,089,787.25
Bond Year Dollars	\$62,657.50
Average Life	0.789 Years
Average Coupon	2.5000000%
Net Interest Cost (NIC)	1.4390141%
True Interest Cost (TIC)	1.4241428%

Erie County, New York

Revenue Anticipation Note, 2012

Issue Date: 9/14/12; Maturity Date: 6/28/13

NOT RATED

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/28/2012	-	-	-	-
06/28/2013	79,425,000.00	2.500%	1,566,437.50	80,991,437.50
Total	\$79,425,000.00	-	\$1,566,437.50	\$80,991,437.50

Yield Statistics

Bond Year Dollars	\$62,657.50
Average Life	0.789 Years
Average Coupon	2.5000000%
Net Interest Cost (NIC)	1.4390141%
True Interest Cost (TIC)	1.4241428%
Bond Yield for Arbitrage Purposes	1.2976418%
All Inclusive Cost (AIC)	1.5597505%

IRS Form 8038

Net Interest Cost	1.3000718%
Weighted Average Maturity	0.789 Years